



DEPARTMENT OF REVENUE

INDIANA GOVERNMENT CENTER NORTH

Departmental Notice #1

(Effective July 1, 2003)

(R/ 7-03)

How to Compute Withholding for State and County Income Tax

This document does not meet the definition of a "statement" required to be published in the Indiana Register under IC 4-22-7-7. The purpose of this document is to assist withholding agents in determining the correct amount of Indiana county income tax to withhold from an employee's wages by providing the tax rate for each county in the table on the reverse side of this document. A county name that is in bold and underlined has adopted a new county income tax. An asterisk (*) beside a county name indicates that the tax rate has changed from last year's rate. The rates given in this document apply to wages paid after June 30, 2003, and the tax is withheld and paid at the same time and in the same manner as the state income tax.

The residence, principal place of business, or employment of an individual is determined on January 1 of the calendar year in which the individual's taxable year commences. An individual cannot be subject to both a resident rate and a nonresident rate at the same time. If a person resides in an adopting county on January 1, they are subject to that county's resident rate. If a person resides in a non-adopting county, but works in an adopting county, they are subject to the nonresident rate for their county of principal employment.

To calculate state and county income tax, the deduction constant tables have been developed. These tables divide the dollar amount of the exemption/dependent exemption by the number of pay periods. This will determine the deduction constant or the dollar amount of exemption you should deduct each pay period from the employee's gross income.

Table A is used to figure personal exemptions. Each employee is entitled to deduct one thousand dollars (\$1,000) per year per exemption claimed on line 4 of his/her Form WH-4. Personal exemptions include additional exemptions if you or your spouse are age 65 or older and/or blind.

Table B is used to calculate dependent exemptions. Each employee is entitled to deduct one thousand five hundred dollars (\$1,500) per year per qualifying dependent exemption claimed on line 5 of his/her Form WH-4.

Deduction Constant Table					
Table A	Daily	Weekly	Bi-Weekly	Semi-Monthly	Monthly
1	2.74	19.23	38.46	41.67	83.33
2	5.48	38.46	76.92	83.33	166.67
3	8.22	57.69	115.38	125.00	250.00
4	10.96	76.92	153.85	166.67	333.33
5	13.70	96.15	192.31	208.33	416.67
6	16.44	115.38	230.77	250.00	500.00
Table B	Daily	Weekly	Bi-Weekly	Semi-Monthly	Monthly
1	4.11	28.85	57.69	62.50	125.00
2	8.22	57.70	115.38	125.00	250.00
3	12.33	86.55	173.07	187.50	375.00
4	16.44	115.40	230.76	250.00	500.00
5	20.55	144.25	288.45	312.50	625.00

Locate the deduction constant for the personal exemptions in Table A. Add to that the deduction constant for the dependent exemptions in Table B. This is the net amount that should be deducted each pay period from the employee's gross income.

Example: An employee is paid a weekly salary of \$800, he/she claims five (5) personal exemptions and is subject to county tax at the rate of .0125. He/she claims 3 dependent exemptions. The taxable income of \$617.30 is the amount on which state and county tax should be calculated.

If you have any questions about the withholding of state or county taxes, please contact the Department at (317) 233-4016.

Deduction Constant amount from Table A	96.15
Deduction Constant amount from Table B	+86.55
Total Deduction Constant	\$182.70
Gross Income	\$800.00
Total Deduction Constant	-182.70
Taxable Income	\$617.30
State Tax to Withhold	\$617.30 x .034 = \$20.99
County Tax to Withhold	\$617.30 x .0125 = \$7.72

Note: Income Tax Information Bulletins which may be of assistance with withholding tax questions are Numbers 16, 32, 33, and 52.

Kenneth L. Miller
Commissioner

(R/ 7-03)

"Equal Opportunity Employer"

Indiana Counties That Have Adopted A County Income Tax (Effective July 1, 2003)

A county indicated with an asterisk (*) has increased or decreased its rate from last year.

A county in **bold** and underlined has adopted a new county income tax.

County Name	County Code	Tax Type	Column A (Resident)	Column B (Nonresident)	County Name	County Code	Tax Type	Column A (Resident)	Column B (Nonresident)
Adams*	01	COIT/CEDIT	0.01124	0.00674	Madison	48	COIT	0.01	0.0025
Allen	02	COIT/CEDIT	0.01	0.0055	Marion	49	COIT	0.007	0.00175
Bartholomew	03	CAGIT	0.01	0.0025	Marshall*	50	CAGIT	0.0125	0.0025
Benton	04	CAGIT/CEDIT	0.0125	0.005	Martin	51	COIT/CEDIT	0.01	0.004
Blackford	05	CAGIT/CEDIT	0.0125	0.005	Miami*	52	COIT/CEDIT	0.0104	0.0059
Boone	06	COIT	0.01	0.0025	Monroe	53	COIT	0.01	0.0025
Brown	07	CAGIT/CEDIT	0.0125	0.005	Montgomery	54	COIT	0.01	0.0025
Carroll	08	CAGIT/CEDIT	0.011	0.0035	<u>Morgan</u>	55	CAGIT/ <u>CEDIT</u>	0.0107	0.0032
Cass*	09	CAGIT/CEDIT	0.015	0.0075	Newton	56	CAGIT	0.01	0.0025
<u>Clark</u>	10	<u>CAGIT/CEDIT</u>	0.0125	0.005	Noble	57	CAGIT/CEDIT	0.0125	0.005
Clay*	11	CAGIT	0.0125	0.0025	Ohio	58	CAGIT	0.01	0.0025
Clinton	12	CAGIT/CEDIT	0.0125	0.005	Orange	59	CAGIT/CEDIT	0.0125	0.005
Crawford	13	CAGIT/CEDIT	0.01	0.005	Owen	60	CAGIT/CEDIT	0.0125	0.005
Daviess	14	CAGIT	0.0125	0.0025	Parke	61	CAGIT/CEDIT	0.0125	0.005
Dearborn	15	COIT	0.006	0.0015	Perry	62	COIT/CEDIT	0.01	0.00625
Decatur	16	CAGIT/CEDIT	0.0125	0.005	Pike	63	CEDIT	0.004	0.004
DeKalb	17	CAGIT/CEDIT	0.0125	0.005	<u>Porter</u>	64	<u>CEDIT</u>	0.0025	0.0025
Delaware	18	COIT/CEDIT	0.008	0.0035	Pulaski*	66	CAGIT/CEDIT	0.0173	0.0068
Dubois	19	COIT/CEDIT	0.01	0.0055	Putnam	67	CAGIT/CEDIT	0.0125	0.005
Elkhart*	20	CAGIT/CEDIT	0.015	0.005	Randolph	68	CAGIT/CEDIT	0.015	0.0075
<u>Fayette</u>	21	<u>COIT/CEDIT</u>	0.0137	0.0062	Ripley	69	CAGIT/CEDIT	0.0125	0.005
<u>Floyd</u>	22	<u>CAGIT/CEDIT</u>	0.0115	0.0065	Rush	70	CAGIT/CEDIT	0.0125	0.005
Fountain	23	CAGIT	0.01	0.0025	St. Joseph	71	COIT/CEDIT	0.008	0.0035
Franklin	24	CAGIT/CEDIT	0.0125	0.005	<u>Scott</u>	72	<u>COIT/CEDIT</u>	0.0116	0.0041
Fulton*	25	CAGIT/CEDIT	0.0143	0.0068	Shelby	73	CAGIT/CEDIT	0.0125	0.005
Gibson	26	CEDIT	0.005	0.005	Spencer	74	COIT/CEDIT	0.008	0.00575
<u>Grant</u>	27	<u>COIT/CEDIT</u>	0.0125	0.005	Starke	75	CAGIT/CEDIT	0.01	0.0075
Greene	28	COIT	0.01	0.0025	Steuben	76	CAGIT/CEDIT	0.0125	0.005
Hamilton	29	COIT	0.01	0.0025	Switzerland	78	COIT	0.01	0.0025
Hancock	30	CAGIT/CEDIT	0.0115	0.004	Tippecanoe	79	COIT/CEDIT	0.01	0.0055
Harrison	31	CAGIT/CEDIT	0.01	0.005	Tipton	80	CAGIT/CEDIT	0.0125	0.005
Hendricks	32	CAGIT/CEDIT	0.0125	0.005	Union	81	CAGIT/CEDIT	0.015	0.005
Henry	33	COIT	0.01	0.0025	Vanderburgh	82	COIT	0.01	0.0025
Howard	34	COIT/CEDIT	0.009	0.00375	Vermillion	83	CEDIT	0.001	0.001
Huntington	35	CAGIT/CEDIT	0.0125	0.005	<u>Vigo</u>	84	<u>CAGIT/CEDIT</u>	0.0125	0.0075
Jackson	36	CAGIT/CEDIT	0.0135	0.005	Wabash*	85	CAGIT/CEDIT	0.015	0.0075
Jasper	37	CAGIT	0.01	0.0025	Warren	86	CAGIT/CEDIT	0.0125	0.005
Jay	38	CAGIT/CEDIT	0.0125	0.005	Warrick	87	CEDIT	0.005	0.005
Jennings	40	CAGIT/CEDIT	0.0125	0.005	Washington*	88	CAGIT/CEDIT	0.015	0.0075
Johnson	41	CAGIT	0.01	0.0025	Wayne	89	CAGIT/CEDIT	0.015	0.005
Knox*	42	COIT/CEDIT	0.008	0.00575	Wells*	90	CAGIT/CEDIT	0.0145	0.007
Kosciusko	43	COIT/CEDIT	0.01	0.00475	White	91	CAGIT/CEDIT	0.0125	0.005
LaGrange	44	CAGIT/CEDIT	0.0125	0.005	Whitley	92	CAGIT/CEDIT	0.012	0.0045
LaPorte	46	CAGIT/CEDIT	0.0095	0.007					
Lawrence	47	CAGIT	0.01	0.0025					